

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. Contracting Activity:

Service Area Office East
353 North Shore Dr.
Pittsburgh, PA 15212

Requesting Activity:

Department of Veterans Affairs, VISN 19
Eastern Colorado Health Care System

2. Nature and/or Description of the Action Being Processed:

The Eastern Colorado Biomechatronics Development Laboratory is requesting to negotiate on a sole source basis with EOS of America to provide maintenance and equipment upgrade services for the existing EOS Metal Laser Sintering Machine.

3. Description of Supplies/Services Required to Meet the Agency's Needs:

A service contract to perform on-site maintenance, a one-time upgrade and basic training for our EOS M 270INT Direct Metal Laser Sintering machine is being requested. This equipment supports the VA funded and approved Merit Review Award research program of Dr. Richard F. Weir, PhD. Service will be purchased from EOS of North America, Inc. 28970, Cabot Drive, Novi, MI 48377. EOS is the sole provider of this equipment and has proprietary rights to equipment software. Services will include the following:

Service Contract to perform on-site maintenance to include 24/7 service support and training. The system upgrade will include the following parts: Carbon Fiber Brush Recoater, Shot Peening Premium Package, HSS recoater blade for Ti powder, Ti64 Performance 2.0 software, 30 M parameter set, Full supply of Titanium building material, Fine particle filter boxes F9, Ti powder, Aluminum, Building platforms DirectBase Ti25, Full supply of maraging steel MS1: 150kg.

Base Year-	\$186,079.44 to include system upgrade
Option Year 1-	\$ 37,960.00
Option Year 2-	\$ 37,960.00
Option Year 3-	\$ 37,960.00
Option Year 4-	\$ 37,960.00

The total estimated value of the supplies and services being provided including options is \$337,919.44. This estimate was based on Contractor pricing. Comparing other products and prices would vary due to the difference in technology and are not comparable to this requirement. Additional price reductions will be requested prior to award ensuring the best possible price is obtained.

4. Statutory Authority Permitting Other than Full and Open Competition:

- (x) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
- () (2) Unusual and Compelling Urgency per FAR 6.302-2;
- () (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
- () (4) International Agreement per FAR 6.302-4
- () (5) Authorized or Required by Statute FAR 6.302-5;
- () (6) National Security per FAR 6.302-6;
- () (7) Public Interest per FAR 6.302-7;

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):

This is a follow-on contract for continued use and development of the EOS laser-based manufacturing system, originally purchased in 2011 with VA equipment funds totaling (\$430,373). This is a highly specialized, major equipment system used to manufacture metal prosthetic parts to support Dr. Weir's VA funded research projects. EOS is the only source that can provide the requested upgrade as it is the manufacturer of the original system. Utilizing another source would require substantial duplication of cost for the system that could not be recovered through competition, as it would require purchase of another laser-based manufacturing system at a cost of approximately \$500,000. A unique capability in this laboratory is the ability to print objects in metal with the EOS M 270INT system. Without this capability there would also be unacceptable delays in obtaining necessary prosthetic parts to fulfill the specific aims of funded VA Rehabilitation Research and Development Merit Review Awards.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:

The EOS laser-based manufacturing system was originally purchased with VA funds for VA funded research studies in 2011. No other potential sources can provide the required upgrades for this highly specialized equipment. If we sourced this requirement from another company it will void all warranties and the cost would potentially double to replace the entire system.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

Determination will be made by reviewing the cost of a new system versus maintaining the existing equipment. Equipment depreciates quickly and to risk having another source work on this equipment could be detrimental to the using service as well as to the Government financially. The final price will be compared to the Government IGCE to determine price reasonableness. Since this is a commercial item the Contracting Officer will attempt to compare cost to published price lists and other commercial invoices from this company to determine price as fair and reasonable. Additional discounts will be requested prior to award to ensure the best possible price is obtained for this upgrade and service agreement.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

Market research was not conducted for this specific requirement because EOS is the only source that can provide upgrades to the EOS system without voiding warranties or service/maintenance contracts. EOS is also the only source that can provide service, maintenance and training for the EOS system without voiding the warranty. (See attached)

9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

Novel prosthetic research is a priority for Veterans health care. It requires the unique production of prosthetic devices and parts that are not commercially available, but can be produced rapidly using the existing EOS manufacturing system. The requested upgrades will further enhance the capabilities of this important equipment for VA research studies.

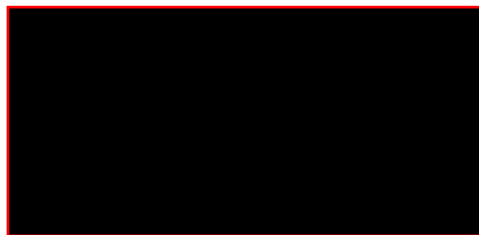
10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

See Section VI above

11. A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:

No actions can remove any barriers to competition due to proprietary rights to software and compatibility issues with the existing equipment. A notice of intent to sole source will be posted to ensure that no other supplies and services can meet the needs of this requirement.

12. Requirements Certification: I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.

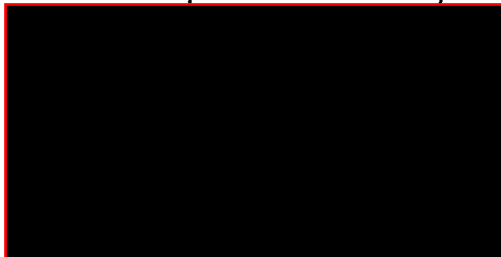


5/12/2014

Date

13. Approvals in accordance with FAR 6.304

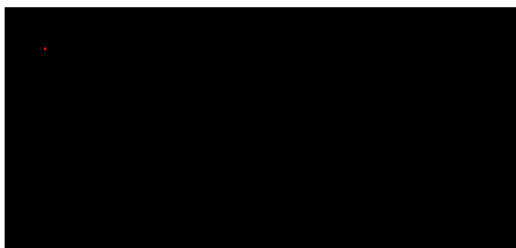
a. Contracting Officer's Certification (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



9/18/14

Date

b. NCM/PCM (Required \$3K and above): I certify the justification meets requirements for other than full and open competition.



9/19/14

Date